

## 2018 Current Fiscal Year Report: Advisory Panel on Hospital Outpatient Payment

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### 1. Department or Agency

Department of Health and Human Services

### 2. Fiscal Year

2018

### 3. Committee or Subcommittee

Advisory Panel on Hospital Outpatient Payment

### 3b. GSA Committee No.

10710

### 4. Is this New During Fiscal Year?

No

### 5. Current Charter

11/21/2016

### 6. Expected Renewal Date

11/21/2018

### 8a. Was Terminated During Fiscal Year?

No

### 8b. Specific Termination Authority

Charter

### 8c. Actual Term Date

### 9. Agency Recommendation for Next Fiscal Year

Continue

### 10a. Legislation Req to Terminate?

No

### 10b. Legislation Pending?

Not Applicable

### 11. Establishment Authority Statutory (Congress Created)

### 12. Specific Establishment Authority

Section 1833(t)(9)(A) of the Social Security Act

### 13. Effective Date

11/29/1999

### 14. Committee Type

Continuing

### 14c. Presidential?

No

### 15. Description of Committee National Policy Issue Advisory Board

### 16a. Total Number of Reports

No Reports for this Fiscal Year

### 17a. Open Meetings and Dates

No Meetings

	Current FY	Next FY
18a(1). Personnel Pmts to Non-Federal Members	\$0.00	\$0.00
18a(2). Personnel Pmts to Federal Members	\$0.00	\$0.00
18a(3). Personnel Pmts to Federal Staff	\$195,711.00	\$199,430.00
18a(4). Personnel Pmts to Non-Member Consultants	\$0.00	\$0.00
18b(1). Travel and Per Diem to Non-Federal Members	\$5,139.00	\$11,500.00
18b(2). Travel and Per Diem to Federal Members	\$0.00	\$0.00
18b(3). Travel and Per Diem to Federal Staff	\$0.00	\$0.00
18b(4). Travel and Per Diem to Non-member Consultants	\$0.00	\$0.00
18c. Other(rents,user charges, graphics, printing, mail, etc.)	\$12,114.00	\$16,600.00

<b>18d. Total</b>	\$212,964.00	\$227,530.00
<b>19. Federal Staff Support Years (FTE)</b>	1.50	1.50

**20a. How does the Committee accomplish its purpose?**

The Panel may advise the Secretary, Department of Health and Human Services (DHHS), and the Administrator, Centers for Medicare & Medicaid Services (CMS), on the following:

- 1) The clinical integrity of the Ambulatory Payment Classification (APC) groups and their associated weights, which are major elements of the Medicare Hospital Outpatient Prospective Payment System (OPPS); and
- 2) The appropriate supervision level for hospital outpatient services. With respect to supervision, the Panel may recommend a supervision level to ensure an appropriate level of quality and safety for delivery of a given service, as described by a Healthcare Common Procedure Code System (HCPCS) code.

**20b. How does the Committee balance its membership?**

The Panel shall consist of up to 15 total members who are representatives of providers. Members are selected by the Secretary or Administrator among the fields of hospital payment systems; hospital medical care delivery systems; provider billing and accounting systems; APC groups; CPT codes; HCPCS codes; the use of, and payment for, drugs, medical devices, and other services in the hospital outpatient setting; and other forms of relevant expertise. All members shall have a minimum of 5 years of experience in their area(s) of expertise, but it is not necessary that any member be an expert in all of the areas listed above. Panel members are full-time employees of hospitals, hospital systems, or other Medicare providers. The Panel also has an Acting Chair who is a Federal official and serves as a Medical Director at CMS. The Panel membership reflects a balance in terms of gender, race, and geographical location.

**20c. How frequent and relevant are the Committee Meetings?**

The Panel meets annually by the call of the Chair, or his/her appointee, and the decisionmaker at CMS. The meetings can be held up to three times per year, as stated in the Charter. The meetings are relevant since the Panel provides advice and consultation to the Secretary, Department of Health and Human Services (the Secretary) and to the Administrator, Centers for Medicare & Medicaid Services (CMS). The Panel is relevant for the following reasons:

- Addressing whether procedures within an APC group are similar both clinically and in terms of resource use.
- Reconfiguring APCs (for example, splitting of APCs, moving HCPCS codes from one APC to another, and moving HCPCS codes from new technology APCs to clinical APCs).
- Evaluating APC group weights.
- Reviewing packaging the cost of items and services, including drugs and devices, into procedures and services, including the methodology for packaging and the impact of packaging the cost of those items and services on APC group structure and payment.
- Removing

procedures from the inpatient list for payment under the OPPTS. •Using claims and cost report data for CMS' determination of APC group costs. •Addressing other technical issues concerning APC group structure. •Evaluating the required level of supervision for hospital outpatient services.

#### **20d. Why can't the advice or information this committee provides be obtained elsewhere?**

The Secretary is mandated by section 1833(t) of the Social Security Act (the Act) as amended by section 201(h) of the Balanced Budget Refinement Act of 1999 (Pub. L. 106-113) to consult with an advisory panel on the APCs. Consequently, the Panel was created to advise the Secretary and the Administrator, CMS, concerning the clinical integrity of the APC groups and their weights, which are major elements of the hospital OPPTS. The Panel may use data collected or developed by entities and organizations other than the Department and CMS in conducting its review. The Panel's recommendations have assisted in making the Outpatient Prospective Payment System a very responsive system to providers' needs.

#### **20e. Why is it necessary to close and/or partially closed committee meetings?**

Meetings are not closed; in fact, they are open to the public. Notices of meetings are given to the public in the Federal Register, and there will be records of the meeting proceedings kept, as required by applicable laws and departmental regulations. In the event that a portion of a meeting is closed to the public, a report will be prepared that contains at a minimum a list of members and their business addresses, the Panel's function, dates and places of meetings, and a summary of Panel activities and recommendations made during the fiscal year. A copy of the report will be provided to the Department Committee Management Officer.

### **21. Remarks**

#### **Designated Federal Officer**

Chuck Braver Designated Federal Official, FACA; Health Insurance Specialist - Division of Outpatient Care, Center for Medicare Management, Centers for Medicare & Medicaid Services (CMS),

<b>Committee Members</b>	<b>Start</b>	<b>End</b>	<b>Occupation</b>	<b>Member Designation</b>
Dunham, Shelly	03/02/2016	03/01/2020	CEO	Representative Member
Flowe, Ken	03/02/2016	03/01/2020	CMO, Rice Mem. Hosp, ER, MD	Representative Member
Francis, Dawn	01/14/2015	01/31/2019	M.D. (Gastroenterologist)	Representative Member
Hardy, Erika	03/02/2016	03/01/2020	Coding Manager	Representative Member
Lambert, Karen	03/02/2016	03/01/2020	Hospital President	Representative Member
Lande, Ruth	01/14/2015	01/31/2019	VP Patient Revenue, Memorial Sloan Kettering	Representative Member
Manaker, Scott	03/02/2016	03/01/2020	M.D.(Pulmonary & Critical Care)	Representative Member

Nolen, Agatha	03/02/2016	03/01/2020	Hosp Phar Dir/Regulatory compliance for HCA	Representative Member
Nordahl, Rick	03/02/2016	03/01/2020	CEO of CAH	Representative Member
Pregler, Johnathan	02/16/2014	02/15/2018	Clinical Prof. Anesthesiology/Div Chief Ambulatory Surgery	Representative Member
Resnick, Wendy	02/16/2014	02/15/2018	Sr. Director, Finance and ICAP Advisor	Representative Member
Schroyer, Michael	01/14/2015	01/31/2019	Hospital Administrator	Representative Member
Thomson III, Norman	01/14/2015	01/31/2019	M.D. (Radiologist)	Representative Member

**Number of Committee Members Listed: 13**

## **Narrative Description**

The Advisory Panel on Hospital Outpatient Payment (the Panel). The Panel may advise the Secretary, Department of Health and Human Services (DHHS), and the Administrator, Centers for Medicare & Medicaid Services (CMS), on the following: 1) The clinical integrity of the Ambulatory Payment Classification (APC) groups and their associated weights, which are major elements of the Medicare Hospital Outpatient Prospective Payment System (OPPS); and 2) The appropriate supervision level for hospital outpatient services. With respect to supervision, the Panel may recommend a supervision level to ensure an appropriate level of quality and safety for delivery of a given service, as described by a Healthcare Common Procedure Code System (HCPCS) code.

**DESCRIPTION OF DUTIES**

The Panel is technical in nature, and it may advise on the following issues:

- Addressing whether procedures within an APC group are similar both clinically and in terms of resource use.
- Reconfiguring APCs (for example, splitting of APCs, moving HCPCS codes from one APC to another, and moving HCPCS codes from new technology APCs to clinical APCs).
- Evaluating APC group weights.
- Reviewing packaging the cost of items and services, including drugs and devices, into procedures and services, including the methodology for packaging and the impact of packaging the cost of those items and services on APC group structure and payment.
- Removing procedures from the inpatient list for payment under the OPPS.
- Using claims and cost report data for CMS' determination of APC group costs.
- Addressing other technical issues concerning APC group structure.
- Evaluating the required level of supervision for hospital outpatient services.

1) The subject matter before the Panel shall be limited to these and related topics. Unrelated topics are not subjects for discussion. Unrelated topics include, but are not limited to, the conversion factor, charge compression, revisions to the cost report, pass-through payments, correct code usage, new technology applications (including supporting information/documentation), provider payment adjustments, and the types of practitioners that are permitted to supervise hospital outpatient services. The Panel may not recommend that services be designated as nonsurgical extended duration therapeutic services.

**What are the most significant program outcomes associated with this committee?**

Checked if Applies

Improvements to health or safety	<input checked="" type="checkbox"/>
Trust in government	<input checked="" type="checkbox"/>
Major policy changes	<input checked="" type="checkbox"/>
Advance in scientific research	<input checked="" type="checkbox"/>
Effective grant making	<input type="checkbox"/>
Improved service delivery	<input checked="" type="checkbox"/>
Increased customer satisfaction	<input checked="" type="checkbox"/>
Implementation of laws or regulatory requirements	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>

### Outcome Comments

N/A

### What are the cost savings associated with this committee?

Checked if Applies

None	<input type="checkbox"/>
Unable to Determine	<input checked="" type="checkbox"/>
Under \$100,000	<input type="checkbox"/>
\$100,000 - \$500,000	<input type="checkbox"/>
\$500,001 - \$1,000,000	<input type="checkbox"/>
\$1,000,001 - \$5,000,000	<input type="checkbox"/>
\$5,000,001 - \$10,000,000	<input type="checkbox"/>
Over \$10,000,000	<input type="checkbox"/>
Cost Savings Other	<input type="checkbox"/>

### Cost Savings Comments

NA

### What is the approximate Number of recommendations produced by this committee for the life of the committee?

513

### Number of Recommendations Comments

Historically, about 25 - 35 recommendations from the APC Panel are generated at each of the two semiannual meetings for a total of 50 - 70 recommendations per year. In the past several years, this number has decreased to about 15-25 recommendations generated per year. This year, the panel generated 14 recommendations.

### What is the approximate Percentage of these recommendations that have been or

**will be Fully implemented by the agency?**

85%

**% of Recommendations Fully Implemented Comments**

Approximately 85 percent of the APC Panel recommendations are fully implemented by the Agency within the OPPS.

**What is the approximate Percentage of these recommendations that have been or will be Partially implemented by the agency?**

9%

**% of Recommendations Partially Implemented Comments**

Of the approximately 15 percent that are not fully implemented, approximately 9 percent are partially implemented. For the remaining 6 percent, CMS may not be able to address these issues due to statutory constraints, or they may be addressed in future years as we are able to do so.

**Does the agency provide the committee with feedback regarding actions taken to implement recommendations or advice offered?**

Yes ☒ No ☐ Not Applicable ☐

**Agency Feedback Comments**

The Panel is provided with copies of the recommendations at the end of each meeting. When the proposed or final rules are published, we provide the Panel with a list of the recommendations that have been addressed in these regulations.

**What other actions has the agency taken as a result of the committee's advice or recommendation?**

Checked if Applies

Reorganized Priorities	<input checked="" type="checkbox"/>
Reallocated resources	<input checked="" type="checkbox"/>
Issued new regulation	<input checked="" type="checkbox"/>
Proposed legislation	<input checked="" type="checkbox"/>
Approved grants or other payments	<input checked="" type="checkbox"/>
Other	<input checked="" type="checkbox"/>

**Action Comments**

At times, the Agency will approve other payments in new technology or in underpaid APCs as a result of the Panel's recommendations.

**Is the Committee engaged in the review of applications for grants?**

No

**Grant Review Comments**

NA

**How is access provided to the information for the Committee's documentation?**

Checked if Applies

Contact DFO



Online Agency Web Site



Online Committee Web Site



Online GSA FACA Web Site



Publications



Other



**Access Comments**

Access is provided to the information for the Committee documentation by contacting the DFO; online Agency, Committee, and GSA FACA Web sites; publications; and regulations.